



Republic of Namibia

MINISTRY OF TRADE AND INDUSTRY

KEYNOTE ADDRESS

BY

CALLE SCHLETTWEIN

MINISTER OF TRADE AND INDUSTRY

REPUBLIC OF NAMIBIA

AT THE

THE INAUGURATION OF THE KEETMANSHOOP GEMSTONE CENTRE

AND GRADUATION CEREMONY OF GEMOLOGY TRAINEES

ON

FRIDAYDAY, 25 JULY 2014

AT THE

KEETMANSHOOP GEMSTONE CENTRE

Director of Ceremonies;
Hon. Bernadus Swartbooi, Governor of the Karas Region;
Your Excellency Ms. Anne Soleranta, Ambassador of Finland to Namibia;
Honourable Mr. Timo Palander, Honorary Consul of Namibia in Finland and
Development Director at Leempala Municipality;
Honourable Councillors and Regional and Local Officers;
Rector of the Polytechnic of Namibia, Prof Tjama Tjivikua;
Mr. Hans Soderstrum, Development Director of Kristallen;
Distinguished Guests;
Distinguished Graduates of the Gemstone Training Programme;
Members of the Media;
Ladies and Gentlemen;

Good morning. I am greatly honoured to be here today to deliver the keynote address at this memorable event; an event that marks the Inauguration of the Cutting and Polishing Gemstone Training Initiative and Graduation Ceremony of the 2nd Phase intake in the Gemstone Training Programme

My Ministry, in keeping with its industrial mandate and entrepreneurial development, assigned its agency the Offshore Development Company (ODC) to construct and manage gemstone facilities at Keetmanshoop and Karibib that serve as gemstone processing centres.

In this connection, I am pleased to inform you that ODC has engaged Lempaala, a Finish Local Authority (Finland's Leempala Municipality-funded Partnership for Local Development and Democracy Initiative (PLDDSI)) in partnership with Kristallen, a Swedish agency/company and the Polytechnic of Namibia to promote local economic development in Southern and Namibia at large.

This partnership involves the revitalization and development of the Centre at Keetmanshoop as a regional hub for actors within semi-precious stone industry and to

promote production and marketing of the products. The involvement includes capacity building both in processing and in entrepreneurship development.

My expectation from this partnership should address the following:

- Beneficiation regarding value chain of gemstones products from the initial stage of cutting and polishing to the downstream of jewelry manufacturing in Namibia;
- Capacity building both in processing and entrepreneurship development;
- The Centre is be self-sustainable with the income it gets from the precious stones as well other end products it sells;
- My Ministry will sponsors graduates through MTI equipment scheme with equipment kit to establish business cottage;
- Marketing of gemstone products from gemstone graduates through the Centre and its partners;
- Accredited qualifications for graduates; and
- The partnership arrangement should be extended to the other regions such as Erongo and Kunene.

I am informed that for the initial 3-year period, in the co-financing my Ministry through the ODC has committed N\$ 3,5 million, while the PLDDSI committed N\$ 600 thousand so far. The Town Council committed to cover N\$ 60 000. To date all pledged funds are yet to be realized.

The Centre was fully equipped and one-year training program has been running with trainers from Swedish company Kristallen AB. From the first intake of 15 trainees, 11 graduates last year. Today, eight from the second intake of 15 will be receiving your rewards for the hard work, perseverance and discipline you have exercised throughout the course of the program and therefore you deserve to be proud of what you have achieved. So please allow me to start by extending hearty congratulations to all the trainees who have completed the gemology training programme.

Whilst I would have liked that the whole group be graduating, however, I am encouraged by the fact that the reason for others not being able to complete the course is because they had found employment, but not necessarily in gemstone development.

This speaks volumes about this program because I believe other employers have recognized the good skills, such as communication skills, business planning, ethics, personal development and leadership, you are acquiring through this training program. Let me also remind you that the graduation is, indeed, one big step in your lives, however, many of us will be watching closely to see what you will be doing with the knowledge and skills you have acquired.

I think it is important to make the observation that in all the cohorts in the program the number of intakes has been dominated by female students. All of us are delighted by the fact that the programme provides an opportunity for fair gender representation.

Director of Ceremonies;

The agenda of Government, particularly through the Ministry of Trade and Industry, is to bring about Growth at Home, and to boost our domestic industry and supply side capacity. The emphasis of our Growth at Home strategy is on increased manufacturing and value addition to the country's natural resources, the development of value chains, and leveraging linkages and complementarities between and among the various sectors of our economy, including the SME sector.

The expected outcomes of these activities are sustainable growth and job and wealth creation leading to tangible improvements in the social welfare of our people.

In relation to mining, we are all aware of the key role this sector plays in the economic development of our country. For example in 2013 its contribution to the GDP of the country was 9.3%. While this is commendable, however, there are a number of challenges facing the sector. Often the question is asked, whether the country is utilizing the full potential of the abundant natural resources to the benefit of the larger

population. Furthermore, has the country been able to exploit resources in a sustainable manner by increasing downstream activities to the benefit of all communities?

There is no quick-fix solution to the problems posed by these questions. While it is accepted that mining will remain the bedrock of our economy and will continue to grow, the Government, nonetheless, recognizes that if we are to find answers to these tough questions what might be a key strategic intervention would be to enable small-scale mining to play an important role in that growth. It is known that in recent years worldwide small-scale and artisan mining has grown considerably.

The reasons for this development include, amongst others, that it is an activity that does not require huge financial investments and also the lead times are relatively short, and consequently, it has the potential to empower disadvantaged groups.

Recognizing the potential role small-scale mining could play in the socio-economic development, the Government has developed regulatory and policy frameworks to support growth in this sector. For example, the Mining Policy has as one of its main objectives to create an environment that encourages and facilitates active participation of all stakeholders. On the other hand, through regularizing and improving artisan and small-scale mining the Government is promoting that they should become part of the formal mining sector.

In Namibia small-scale and artisan mining provides livelihood for many people and a recent estimate puts the number of people working or involved indirectly with the sector at between 5 000 and 9 000. In addition, availability of rare and unique gemstones in Namibia presents an opportunity for generating livelihood and hence the majority of the small-scale operations are on gemstones and semi-precious stones. Regardless of this, growth in the small-scale mining is hindered by a number of challenges and key amongst these are availability of finance for equipment, inadequate skills, farmer-miner conflict, safety training and access to markets.

As a Ministry responsible for manufacturing activity, regarding the mining sector activities such as mineral beneficiation, the processing of precious stones and promotion of resource-based development are part of a plethora of strategies we are pursuing.

I am therefore pleased that in this project the Polytechnic is engaging with the different partners in implementing a training and mentorship programme supportive of the Government's effort to increase small-scale mining.

My Ministry realizes that a host of possible interventions are necessary to improve the small-scale mining sector and these range from mining techniques, marketing and business planning, environmental and safety aspects as well as an introduction and utilization of advanced techniques and methods for geological location of gemstone reserves.

In general we are all convinced that the development of downstream industries to our primary industries is the way to go, because increase in value addition will increase employment, which in turn will have multiple effects in our society.

Just about three weeks ago, I alluded to the fact that we inherited a "skewed" economy that leaned heavily on the primary sector largely because prior to independence the country did not have much contact with the global market.

However, post-independence the Government broke the isolation barrier through developing appropriate policies and also entering into partnerships that have opened trade opportunities and thus allowing us to participate in the global market.

However, to derive maximum benefits from participating in the global economy and also bring an end to the "skewedness" associated with our enduring poverty, it is imperative that we should add value to the primary resources of our country.

Government recognizes that human resource development is critical to the overall development of the Namibian economy and this applies equally to the mining sector in order to strengthen its value chain.

High quality manpower that possesses requisite knowledge and skills is needed in order to make best use of the available natural resources and thus accelerate our progress towards economic development.

Furthermore, an entrepreneurial culture should be an added ingredient to knowledge and skills, as it motivates the establishment and growth of Small and Medium Enterprises (SMEs). This is what makes the gemology training programme attractive, that is, it incorporates entrepreneurship to knowledge and skills training.

Director of Ceremonies;

The Keetmanshoop Gemstone Centre we are about to inaugurate is a strategic hub in the !Karas region, where local communities can be provided skills, and also networking and trade opportunities are presented to small-scale miners.

The region is also endowed with large deposits of precious stones, which if exploited in a sustainable manner can provide livelihood to the inhabitants. And for this to happen it will require that there is effective development and utilization of these resources.

The Gemstone Training Centre, therefore, will provide the wherewithal to exploit these resources. I would like implore the locals to take advantage of this opportunity by committing fully to follow through training programmes and workshops.

It is also my understanding that different networking platforms are created for small-scale miners to share experiences, knowledge and challenges as well as to showcase products. These are commendable initiatives and I appeal to the !Karas Small Scale Miners Association to capitalize on these initiatives so that you can remain abreast of developments in your area of trade.

As the Ministry of Trade and Industry we have invested in this initiative because we expect that participants coming out of this programme should have sufficient skills to set up small businesses focusing on cutting and polishing of gemstones as well as designing end products such as jewelry.

This in essence is the first step toward creating self-employment, thereby addressing the massive challenge of unemployment that impacts largely on the youth and women.

Poverty and unemployment are of the most serious problems faced by our country and it is therefore hoped that this endeavour will go a long way towards alleviating the situation.

Finally, ladies and gentlemen, we believe in sustainable socio-economic growth and therefore pledge our commitment to the development of a sound business plan. The plan is being developed at this time and will serve as the guiding document for future growth of the Gemstone Centre. We are also looking forward to the Polytechnic formalizing the gemology qualifications in its curriculum structure.

Ladies and Gentlemen;

I renew my appreciation for the invitation and opportunity extended to me and on this note it therefore, gives me great pleasure to officially inaugurate the Keetmanshoop Gemstone Training Initiative and Graduation, a place that holds a promise for a better future for the people of this region specifically and Namibia in general. You are therefore given an opportunity to build the future you dream of and the future you deserve. From the Ministry of Trade and Industry's and the Namibian Government's side, be assured of our commitment to your development, growth and sustainability.

I thank you for your attention.